

BOARD OF INVESTMENT TRUSTEES
Montgomery County Employee Retirement Plans
A Montgomery County Government (Maryland) Board

BYLAWS

ARTICLE 1

Purpose

Purpose. The purpose of the Board of Investment Trustees (the "Board") is to establish, monitor, and modify, as needed, systems for the receipt, custody, disbursement and investment management of the assets of the (1) defined benefit retirement plans, known as the Employees' Retirement System, (2) Employees' Retirement Savings Plan, and (3) the Deferred Compensation Plan, each in accordance with the laws of Montgomery County, Maryland, as amended. For the purpose of these bylaws and Board business, "Montgomery County Employee Retirement Plans" (ERP) will be used to refer to an incorporation of all plans. The term "Employee Retirement Systems" referenced in the Board's bylaws comprises the "Retirement System" as defined in the Montgomery County Code (Chapter 33, section 59I) and the Deferred Compensation Plan (Chapter 33, Article 9).

ARTICLE II

Membership

2.1. Membership. The Board consists of thirteen members, appointed by the County Executive and confirmed by the County Council, to include the Directors of the Department of Finance, the Office of Human Resources, and the Office of Management and Budget, and the Council Staff Director; three active County employees, each of whom is a member of a different collective bargaining unit, and who are vested members of the ERS, or individuals recommended by each employee organization; one employee who is not represented by an employee organization; a retired member of the ERS; two representatives of the County Council; and two members of the public.

ARTICLE III

Officers

3.1. Officers. The officers of the Board consist of a Chair, a Vice-chair, a Secretary, and two committee Chairs as described in Article XIII herein. The officers shall be nominated from the floor and elected by the members at a meeting.

3.2. Officer Terms. The term of the Chair, Vice-chair and Secretary shall be two years. The term of committee Chairs shall be one year. The Board Chair, Vice-chair and Secretary may not serve more than two consecutive terms.

3.3. Officer Elections. Officer elections shall take place at the September meeting of the Board or the next meeting thereafter in the absence of a September

meeting. If an officer is unable to complete a term, the Board must elect a member to serve the remainder of the term. The election of a replacement must be made at the first quarterly meeting following the receipt by the Board of either formal or informal notice of the officer's inability or unwillingness to complete the term.

3.4. Chair and Vice-chair Responsibilities. The Chair must conduct the meeting. In the Chair's absence, the Vice-chair must conduct the meeting. If both the Chair and the Vice-chair are absent from a meeting, the members present must elect a member to act as the Chair for the meeting.

3.5. Secretary Responsibilities. The Secretary must maintain custody of minutes, contracts, opinions, financial and investment data, reports, records of disbursements for expenses and any other records of the Board in accordance with the State law on public records.

ARTICLE IV

Term of Board

4.1. Term of Board. The Board continues in existence until it is abolished by law.

ARTICLE V

Meetings

5.1. Meeting Schedule. The Board must meet at least once during each calendar quarter. Quarterly meetings shall be held on the first Friday in March, June, September and December. However, the September meetings will be held on the first Friday after Labor Day. . Quarterly meeting dates may be changed by the consent of seven members of the Board. The Chair or seven members of the Board may call additional meetings of the Board.

5.2. Attendance Requirements. Members of the Board must attend seventy-five percent (75%) of the scheduled meetings of the Board during each twelve-month period beginning with the effective date of these Bylaws. Scheduled meetings mean meetings held at least seven days after notice of the meeting. If a member fails to comply with the attendance requirements, the Chair must notify the County Executive for consideration of removal action.

5.3. Meeting Locations. The Board shall meet in the Stella B. Werner Council Office Building, the Executive Office Building, or the official location of Board offices in Rockville, Maryland, unless the Chair, or a majority of the members, designates another location.

5.4. Meeting Notification. The Chair or the Chair's delegate must supply reasonable notice of the date, time, and place of meetings as required by the Maryland Open Meetings Act.

5.5. Special Meetings. Special meetings may be called by the Chair. Two business days' notice of special meetings must be given to each member of the Board. Such notice may be oral or written.

5.6. Emergency Meetings. The Chair may call an emergency meeting of the Board. Each member must file a written waiver of notice of any emergency meeting after the meeting.

5.7 Meeting Agendas. The Chair or the Chair's delegate must prepare a written agenda for each meeting. After the Chair calls a meeting to order, a member of the Board may move to add or delete from the agenda of that meeting or add an item to a future meeting's agenda. Addition or deletion of an item from the agenda at a current meeting requires the affirmative vote of a majority of all members present. The addition of an item to an agenda for a future meeting requires the request of the majority of Board members.

5.8. Meeting Materials. The written agenda must be mailed to the members at least one week before each meeting. Written information that will be addressed at a quarterly meeting should be received one week before each meeting. The Chair or the Chair's delegate must send an agenda and any information with respect to a meeting, which is not a quarterly meeting, as early as possible prior to the meeting.

5.9. Quorum. A quorum consists of seven members of the Board. A quorum is required to conduct business of the Board.

5.10. Member Representation. A member of the Board cannot designate a substitute to sit and act in the member's place.

5.11. Closed Sessions. Closed session meetings that are not open to the general public may be held in accordance with the State law on meetings of public bodies. Information discussed and materials distributed during the closed session are deemed confidential.

5.12. Actions Taken Outside of Meetings. In extraordinary circumstances (to be determined by the Chair), the Chair may ask for Board action outside of a meeting by mail or telephone with the written consent of all members to take the action. Any action taken outside of a meeting must be recorded in a Board resolution that is adopted by all members of the Board and affirmed at the next quarterly meeting of the Board. Prior to such action the Chair or the Chair's delegate must communicate a written proposed action to each member of the Board.

ARTICLE VI

Conduct of Meetings

6.1. Rules of Order. The Chair, or a majority of the members present at the meeting, may direct that the proceedings for a deliberative body as contained in the Robert's Rules of Order apply to meetings of the Board for an entire meeting, for a special purpose or during a certain time period of a meeting. When the Robert's Rules of Order do not apply, the Chair must conduct a discussion informally. Any reference to Robert's Rules of Order means the latest published edition of such rules at the time an issue arises with respect to such rules.

6.2. Board Action Validity – Rules of Order. A Board action that is otherwise valid is not invalid because of the failure to follow Robert's Rules of Order.

6.3. Board Action Validity – Bylaws. Unless otherwise prohibited by law, if Board action is taken in a manner not in accordance with these Bylaws, that action is valid unless a majority of the members of the Board vote to rescind the action. A vote to rescind a Board action which was taken in a manner not in accordance with these Bylaws must be taken no later than the first meeting after the distribution of the draft minutes which refer to the relevant Board action, but in no event later than the next quarterly meeting.

ARTICLE VII

Minutes

7.1. Requirement for Minutes. The Secretary or the Secretary's delegate must take minutes of all meetings of the Board. Minutes of a closed session meeting must be kept separately from minutes of the open meetings. All minutes must be prepared, distributed and maintained in accordance with the State law on meetings of public bodies.

7.2. Approval Process. Draft minutes of each Board meeting must be prepared by the Secretary or the Secretary's delegate and mailed to each member of the Board and counsel to the Board as soon as reasonably possible after the meeting. Draft minutes must be approved or corrected by vote of the Board at its next meeting to the extent the Board can reasonably do so. After minutes have been approved or corrected by the Board, the drafts of the minutes and any related notes must be destroyed.

7.3. Distribution. The Director must forward copies of the approved minutes (except those of closed meetings) to the Reference Section of the Rockville Public Library within six months of their approval.

ARTICLE VIII

Board Action

8.1. Resolutions. An action of the Board must be evidenced by a resolution that must be contained in the minutes of the Board. A resolution must be initially moved by one member of the Board, seconded by another member of the Board and must receive an affirmative vote of seven members of the Board. Resolutions are recorded in the minutes by number.

8.2. Voting Requirements. Unless otherwise specified by law or these Bylaws, an affirmative vote by seven members approves a resolution or a motion. A tie vote fails to carry a resolution or a motion. An abstention is not a vote. In order to vote, a member must be present. Alternatively, a member may participate in the meeting and vote by teleconference or videoconference if the member has access to all information necessary for making an informed decision.

8.3. Amendments. An amendment to a pending resolution or motion may be made only upon the affirmative vote of seven members of the Board.

ARTICLE IX

Professional Staff

9.1. Board Office Staff. The Chair may request the Chief Administrative Officer of the County to appoint persons to serve as staff to the Board. The Director shall direct the staff and perform the duties set by the Board.

9.2. Public Information Requests. The Director must respond to all public information requests in accordance with the State law on public records and rules adopted by the Board.

ARTICLE X

Compensation and Expenses

10.1. Compensation. Members of the Board serve without compensation.

10.2. Expense Reimbursements. The Board must authorize reimbursement to members for all reasonable and proper expenses incurred in performing their duties.

ARTICLE XI

Reports

11.1. Reporting Requirements. The Board will prepare the annual and quarterly reports pursuant to Montgomery County Code (sec. 33-61B).

11.2. Preparation and Approval Process. The Director must prepare and distribute quarterly and annual investment reports for consideration by the Board following confirmation of data received from the appropriate sources. Reports will

be approved by the Board as soon as practicable thereafter, and filed as required by law.

ARTICLE XII

Bond

12.1. Custodian Bond Exemption. The Board shall not require a bond of the Director of Finance as custodian of the ERS in addition to the bond required as the Director of Finance.

ARTICLE XIII

Committees

13.1 Standing Committees. The Board shall maintain two standing committees of the Board -- the Investment Committee and the Administrative Committee. The committees shall not act on behalf of the Board with regard to policy decisions and investment actions.

13.2 Membership. Each Board member shall serve on one of the two committees, with the exception of the Board Chair and Vice-chair who shall serve as ex-officio members on both committees. Committee membership shall be determined each year at the time of officer elections. The Board shall strive to create the best possible balance between government and non-government members on each committee.

13.3. Investment Committee Purpose. The Investment Committee shall provide advice and recommendations to the Board on investment matters.. The Investment Committee shall be comprised of six Board members, exclusive of the Board Chair and Vice-chair.

13.4. Administrative Committee Purpose. The Administrative Committee shall provide advice and recommendations to the Board on compliance, policy, and administrative matters. . The Administrative Committee shall be comprised of five Board members, exclusive of the Board Chair, Vice-chair, and Investment Committee members.

13.5. Committee Officers. Each committee Chair shall be elected each year by the full Board, and must be a non-ex-officio member of the committee. The committee Chairs shall serve in the same capacity as the Board Chair with regard to committee meetings and responsibilities.

13.6. Rules of Order. The Investment and Administrative Committees shall operate in the same manner as the Board with regard to meeting policies and shall act in accordance with the Maryland Open Meeting Act.

13.7. Ad Hoc Committees. Special purpose ad hoc committees may be established by a quorum of the Board if special Board situations warrant, but may not act on behalf of the Board.

ARTICLE XIV **Miscellaneous**

14.1 Signature Authorities. While Section 33-61(a) of the County Code, provides that "...All payments from the retirement system assets must be made by (i) the Director of Finance, (ii) a designee for the Director of Finance, or (iii) two (2) persons designated by the Board, acting jointly..." the Board shall provide for any other signature authority by resolution. In addition, on behalf of the Board, the Chair may take administrative action, including executing an instrument.

14.2. Mailing Address. The mailing address of the Board is the official location of Board offices at such address established in Rockville, Maryland.

14.3. Amendment of Bylaws. An amendment of the Bylaws may be made only in accordance with the following procedure. A draft amendment must be prepared and submitted to the Board at a meeting for discussion. The Board must have a period of two calendar weeks in which to consider the draft amendment. The Board may vote on an amendment at any meeting of the Board after the conclusion of the two week period. An amendment of the Bylaws must be approved by the affirmative vote of seven members.

AMENDED: December 2, 2005
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